

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

SUIT NO.2255 OF 1996

State Bank of Hyderabad ...Plaintiffs

Versus

Najmuddin G. Bookwala ...Defendants

Shri A. Prabhu i/by M.Dhruva & Co for the Plaintiffs.

None for the Defendants.

CORAM : ABHAY S.OKA, J.
DATED : OCTOBER 25th, 2007.

ORAL JUDGMENT:

1. The Plaintiffs have filed this suit for recovery of a sum of Rs.8,14,854/- together with interest on principal amount more particularly set out in Exhibit 'I' to the plaint.

2. According to the case of the Plaintiffs the Defendant who was at the relevant time carrying on business in the name and style of M/s. Lovers Gift Exporter. According to the case of the Plaintiffs the Defendant was engaged as exporter, wholesaler and retailer of garments.

3. Sometime in May 1993 the Defendant submitted various export shipping documents for bill discounting in respect of export of leather goods to M/s.Al Ansari

Trading Enterprises, Ruwi, Sultanate of Oman. The Defendant requested Plaintiffs to arrange to purchase the said documents and to keep 5% of the amount in fixed deposit for a period of 12 months and balance was directed to be credited to the current account of the Defendant.

4. Bill of exchange drawn in sets by the Defendant dated 15th May, 1993 was handed over to the Plaintiffs.

5. The Plaintiffs after having purchased the said documents credited a sum of Rs.32,000/- in the name of the Defendant and credited to the current account of the Defendant the balance amount of Rs.05,88,724/-. The Plaintiffs forwarded the documents to the British Bank of the Middle East, Ruwi alongwith letter dated 19th May, 1993 with a request to deliver the documents to the drawee M/s. Al Ansari Trading Enterprises and to remit the proceeds to account of the Plaintiffs with the City Bank, New York, USA. The said British Bank informed the Plaintiffs about the acceptance of the bill and also informed that the bill will mature for payment on 22nd August, 1993. At the request of the drawees of the bill, the Plaintiffs extended date by another 60 days and the bills were due for payment on 21st October, 1993. However, payment was not made on the extended due

date. The drawees informed the British Bank of Middle East that they will not be settling the bill and therefore, the bill was returned.

6. Thereafter, the Plaintiffs requested the Defendant to make payment of the dishonoured bill. By letter dated 24th March, 1994 the Defendant requested for extension of 60 days to make payment.

7. Similarly, the Defendant submitted to the Plaintiffs the export documents for bill discounting in respect of export of fabric to Mr. Kishan Kumar Bucktower, Mauritius as well as the documents in respect of export of shirts to M/s.Al Jawahar Moosa Est, Kuwait and in both the cases, the bills were accepted by the drawees but the same remained unpaid. In case of transaction with Mr. Bucktower, only a part payment of USD 1431.90 was made. In case of export to M/s.Al Jawahar Moosa Est, Kuwait the entire bill remained unpaid.

8. By advocate's letter dated 08th April, 1996 the Plaintiffs called upon the Defendant to pay bills subject matter of the three transaction. As the amount was not paid, the present suit has been filed for recovery of amount together with interest at the rate of

18% per annum from the respective due dates of the bills.

9. The Plaintiffs have examined Mr. S. Satyanarayana, their Chief Manager as a witness. His evidence in the form of affidavit in lieu of examination has gone unchallenged. The documents at Exhibit P-2 to P-8 have also gone unchallenged which prove the fact that the three bills remained unpaid. Thus, the Plaintiffs have established their claim in the suit. As pointed out earlier, the Defendant has not bothered to contest the suit by filing written statement. The Defendant has not appeared to cross-examine the said witness.

10. Considering the nature of the transaction, the prayer made by the Plaintiffs for grant of further interest at the rate of 18% per annum will have to be granted.

11. Hence, the suit is decreed in terms of prayer clauses (a) and (b). The Plaintiffs will be entitled to refund of court fees as per the rules. Certified copy is expedited.

JUDGE